



**John R. Bear**  
President & CEO  
317-249-5176  
jbear@misoenergy.org

May 1, 2017

Governor Bruce Rauner  
Office of the Governor  
207 State House  
Springfield, Illinois 62706

Dear Governor Rauner,

The Midcontinent Independent System Operator (MISO) would like to work with the State of Illinois to ensure that sufficient electric resources continue to be available in downstate Illinois (Ameren footprint) to maintain reliable service for customers at peak times. Historically, a surplus of electric resources has existed across the MISO region to meet customer needs. Now the electric industry is experiencing dynamic shifts in the power supply mix resulting in less supply being available.

A stable resource adequacy mechanism is needed to ensure long-term investment in electric resources. MISO appreciates the near-term reliability improvements provided by the recent Future Energy Jobs legislation.<sup>1</sup> However, improvements in the near term outlook should not be confused with ensuring long-term reliability. This short-term outlook reflects only a single year commitment of resources and can result in increased price volatility.

MISO prefers state-based solutions to Resource Adequacy. However, since no such state-based approach existed in Illinois, MISO developed a market-based approach to support and facilitate resource adequacy which was filed with the Federal Energy Regulatory Commission (FERC) late last year. The proposal included a three-year Forward Resource Auction and an enhanced pricing mechanism which were designed to create a transparent forward price signal for electric resources in competitive retail areas to make rational and efficient investment decisions. In February 2017, FERC issued a brief order rejecting the proposal. Current circumstances at FERC - including a lack of quorum and uncertainty about timing of appointments and future leadership - made the path for resolving this issue at FERC through a rehearing unclear. While MISO did not seek a rehearing, MISO continues to believe that additional action is needed in downstate Illinois to maintain reliability. MISO has been

---

<sup>1</sup>The Future Energy Jobs legislation creates the opportunity for approximately 1,100 megawatts (MW) of generation supply that can be used as a capacity resource in MISO's footprint. MISO supports the Future Energy Jobs legislation, and recently filed an amicus brief in federal court in the Northern District of Illinois.

working informally with downstate Illinois stakeholders to develop a workable Illinois-based solution. As a result of these efforts, MISO believes a long-term solution is possible.

Given MISO's preference for state-based Resource Adequacy solutions, we would like to work closely with state officials and Illinois stakeholders to support efforts to develop a resource adequacy mechanism that will ensure there are sufficient electric resources available to meet customer needs. Without such action, the reliability outlook is unclear and uncertain from year to year. Your support in our shared efforts to ensure long-term reliability for the downstate consumers is greatly appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "JRB" followed by a horizontal flourish.

John R. Bear  
President and CEO